

## Out-of-Network Business Contract Information & Instructions:



The business contract is a way for your firm to increase sales revenue, with consistent income every month to help pay for monthly payroll.

There are two types of business contracts available in the VEI marketplace:

1. **In-Network contracts & sales:** Firms are encouraged to engage in business-to-business sales and contracts with other VEI firms. There is no limit to the number of in-network contracts.
2. **Out-of-Network contracts & sales:** Any firm may make a business contract for the sale of goods/services with any real business from their community, school administrators, or with the VEI Office. These sales made to a person without a VEI bank account or sales not made at an official VEI trade show, are known as “out-of-network” sales. The total out-of-network sales allowed from any one firm cannot exceed 75% of the annual gross salary, net of the cost of goods sold (COGS) from those sales.
  - a. Total out-of-network sales cannot exceed 75% of projected annual salaries, net of COGS
  - b. A maximum out-of-network sales calculator is available on the “Out-of-Network Business Contract Worksheet.”
  - c. Payments for these contracts are paid monthly by the VEI office.

### When Should Firms Submit the Contract/s?

Firms should submit the contracts as early in the fall as possible, best by October 15th to ensure a monthly deposit for payroll in October. Firms can submit the contract after this date, but deposits will not start until after the 1<sup>st</sup> of the month it is submitted. Log on to Portal/Submittal Forms/Payment Request Form.

### What Forms Do Firms Submit?

The Accounting and/or Sales Department/s should

1. Complete the “Out-of-Network Business Contract Worksheet”: *Keep Salaries between \$25,000 and \$90,000 for all employees. See the suggested salary sheet and research online for starting salaries.*
2. Write up the actual contract with exact terms: (payment schedule, price per item, number of products sold), description of products sold, contact information and signatures of both parties. Samples are on the Portal under Curriculum / Sales & Marketing / Reference Files.
3. Prepare the “Payroll Register” spreadsheet showing all details & taxes: use the template provided in Portal/Accounting & Finance/Reference Files/Payroll Register.
4. Complete the “Payment Request Form” on the Portal and upload the above documents there.